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Title: Actions related to accepting a WaterSMART Water and Energy Efficiency Grant from the United States Department of the Interior, Bureau of Reclamation:

1. Adopt a finding of Categorical Exemption pursuant to Class 1 Section 15301 (existing facilities) of the California Environmental Quality Act Guidelines;
2. ***Approve an Assistance Agreement with the United States Department of the Interior, Bureau of Reclamation and accept receipt of \$300,000 grant for the Fresno Public Landscape Water Conservation Project to provide for the City of Fresno to install irrigation system improvements to conserve water. (Districts 2, 3, 5, and 6) (Subject to Mayor's veto)

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. 2018-08-15 WaterSMART Agreement.pdf, 2. Mayor Approval - Item 18-0923.pdf

Date	Ver.	Action By	Action	Result
8/16/2018	1	City Council	approved	

REPORT TO THE CITY COUNCIL

August 16, 2018

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: DEJAN PAVIC, Supervising Professional Engineer
Department of Public Utilities - Utilities Planning & Engineering

BY: MARTIN WENDELS, Project Manager
Department of Public Utilities - Utilities Planning & Engineering

SUBJECT

Actions related to accepting a WaterSMART Water and Energy Efficiency Grant from the United States Department of the Interior, Bureau of Reclamation:

1. Adopt a finding of Categorical Exemption pursuant to Class 1 Section 15301 (existing facilities) of the California Environmental Quality Act Guidelines;
2. ***Approve an Assistance Agreement with the United States Department of the Interior, Bureau of Reclamation and accept receipt of \$300,000 grant for the Fresno Public Landscape

Water Conservation Project to provide for the City of Fresno to install irrigation system improvements to conserve water. (Districts 2, 3, 5, and 6) (Subject to Mayor's veto)

RECOMMENDATIONS

Staff Recommends the City Council adopt a finding of Class 1 Categorical Exemption, pursuant to Section 15301 of the California Environmental Quality Act (CEQA) Guidelines, and approve an Assistance Agreement with the United States Department of the Interior Bureau of Reclamation to accept receipt of \$300,000 for the City of Fresno Public Landscape Water Conservation Project (Project), which will provide for the City of Fresno (City) to install irrigation system improvements to conserve water, and authorize the Director of Public Utilities or designee to execute all related documents.

EXECUTIVE SUMMARY

In January 2017, Council authorized the Department of Public Utilities' (DPU) application for the WaterSMART Water and Energy Efficiency Grant offered through the United States Department of Interior, Bureau of Reclamation (USBR). DPU pursued, and has been awarded, a grant to provide funding for landscape irrigation system improvement projects at Fresno area public use sites. The City will utilize the funding to install irrigation system improvements that will provide more efficient delivery of water for large irrigated turf and landscaping within seven public use sites. On August 29, 2017, the City received notification that the Project was selected for award of \$300,000. Approval and ratification of the Assistance Agreement is now recommended to receive the grant funding.

BACKGROUND

The City of Fresno provides potable water supply service to residents, businesses, industries, and institutions within a geographic area that extends across approximately 110 square miles. Within the City's water supply service area, the City provides water to landscaping along median islands, parks, and other large irrigated turf areas such as greenways. Several of these irrigation systems are in need of improvement to enhance water system efficiency and conserve available water supply.

As drought conditions have continued to worsen in California, the City has been actively engaged in water supply planning and coordination efforts to conserve water use. The planning and coordination has focused on opportunities to reduce water use through the installation of more water efficient irrigation systems from spray to micro-spray and drip; installation of smart controllers; installation of soil moisture sensors; and installation of rainfall sensors - all intended to reduce potable water consumption. The improvement projects are estimated to reduce the total annual water consumption at the Project sites by approximately 40 acre feet/year. The total estimated cost of the improvement projects is \$600,000.

The USBR provides 50/50 cost-share grants for water saving projects such as the irrigation system upgrade projects planned. As the water purveyor, the Department of Public Utilities applied for, and was awarded, the WaterSMART grant directly. In collaboration with DPU, the Department of Public Works (DPW) will implement a series of projects utilizing the funding. For their part, Parks, After School, Recreation and Community Services Department (PARCS) will utilize work already undertaken and finished at Roeding and Highway City for their portion of the project. The total estimated cost of the water conservation improvement projects is \$600,000. Fifty percent (50%) will be funded through the WaterSMART grant, with DPW and PARCS providing matching funds for their

respective projects.

In 2016, the City successfully secured a \$300,000 grant through this program for Fresno Unified School District to perform similar irrigation system improvements at various school sites.

The City Attorney's Office has reviewed the Assistance Agreement and approved it as to form. The USBR's Fiscal Year 2017 funding obligation deadline of August 20, 2018, requires the City to sign the Agreement no later than August 20, 2018.

ENVIRONMENTAL FINDINGS

Staff performed a preliminary environmental assessment of this project and determined it falls within the Categorical Exemption set forth in CEQA Guidelines Section 15301 (Existing Facilities), which exempts maintenance of existing landscaping and restoration of deteriorated facilities, because the project includes replacing existing irrigation systems with more water conserving devices. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

The grant requires National Environmental Policy Act (NEPA) compliance because the funding source is a federal agency. A federal agency is required to be the lead agency for NEPA compliance. The USBR will be the lead, and will prepare the final NEPA. The USBR will issue a Notice to Proceed when NEPA findings are complete (process is concurrent to the execution of the Assistance Agreement). It is anticipated that there will not be any negative findings as the improvement projects are replacing and upgrading existing facilities.

LOCAL PREFERENCE

Local Preference was not considered because this action does not include a bid or an award of a City construction contract.

FISCAL IMPACT

Project construction costs will be funded by DPW from Community Sanitation funds currently budgeted for the purpose in FY 2019. The match from PARCS was provided by the irrigation improvement projects done in FY 2017 and FY 2018 at Roeding Park and Highway City using Proposition 1C and the General Fund. The pre-award incurrence of costs is eligible per the grant agreement. The reduction in water use will result in energy savings and chemical savings from reduced groundwater pumping. The projects are located in Council Districts 2, 3, 5, and 6.

Attachment: Assistance Agreement